



KAPLAN KIRSCH ROCKWELL

July 6, 2011

Jim Martin
Regional Administrator
Environmental Protection Agency
1595 Wynkoop St.
Denver CO 80202

Re: Proposed Multi-Party AOC, Park City Municipal Corporation, United
Park City Mines Co., and Region 8 EPA

Dear Jim:

At the conclusion of our meeting on Monday, June 27, 2011, Park City was asked to provide a list of municipal actions and undertakings that it needs to exclude from the scope of proposed paragraph 111 of the Draft AOC (the "Waste Materials waiver").

Park City understands that, simultaneously, UPCM is to draft and provide language that will narrow (i.e., make more specific) the terms of paragraph 71 of the Draft AOC.

As I indicated at our meeting, the City's final entry into an AOC is conditioned upon approval by the City Council after a public meeting and possibly a public work session.

This letter is still in draft form and is expected to go before City Council on Thursday, July 7, for review. On Friday, July 8th we will notify you if there are any changes to this draft or if the draft is acceptable to Council in its current form.

The following constitutes Park City's list of other municipal actions or undertakings to be excluded from the scope of the Waste Materials waiver:

1. Soils ordinance
 - The City reserves the right to enforce the existing soil ordinance.
2. Conditional Development
 - The City reserves the right to condition UPCM's future development activities on UPCM land outside the soil ordinance boundary on execution of a satisfactory Voluntary Cleanup Program (VCUP) action.
3. Development Permitting
 - The City reserves the right to deny building permits to UPCM where lead levels exceed the then-current EPA action level (presently, 400 ppm) outside the soil ordinance boundary.
4. Land Management and Building Codes
 - These codes would continue to apply and be enforced.
5. Source Protection Zones

Attorneys at Law
Denver • New York • Washington, DC

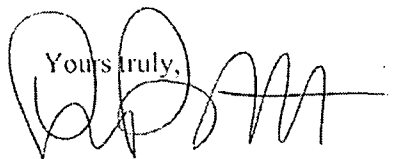
Kaplan Kirsch & Rockwell LLP
1675 Broadway, Suite 2300
Denver, CO 80202
tel: (303) 825-7000
fax: (303) 825-7005
www.kaplankirsch.com

- The City reserves the right to enforce the existing source protection zone and expand the source protection zones by new ordinances.
- 6. Dust Control Measures
 - The City reserves the right to enforce existing dust control measures contained in the soil ordinance.
- 7. Mine Hazard Ordinance
 - The City reserves its existing authority under the Mine Hazard Ordinance.
- 8. Communications with State and Federal Agencies
 - The City reserves its right to communicate with, and report potential issues to, State & Federal agencies
- 9. Enforce Existing Contracts
 - The City reserves its right to enforce existing contracts and agreements (include list from paragraph 71 of Draft AOC, as supplemented during our discussions on June 27).
- 10. Safe Drinking Water Act
 - The City reserves its right to give SDWA notice.

In addition to the foregoing list, we discussed with EPA and UPCM on June 27, and I think there was consensus on, the concept that Park City would need to exclude from the scope of any waiver any future actions required of it by state or federal law. The example we discussed was the expected future need for Park City to enact a stormwater ordinance.

The Multi-Party AOC currently includes a paragraph 81, consisting of a standard AOC template for Dispute Resolution. This provision is designed to address and encompass disputes arising under the AOC and involving EPA. A final AOC would have to contain either a separate dispute resolution provision regarding disputes between Park City and UPCM or a clear exclusion of such disputes from paragraph 81, or both.

In closing, Park City notes that both paragraphs 71 and 111 of the Draft AOC continue to raise serious policy concerns for a municipal government, particularly insofar as they ask the City to make decisions about future unknown claims and conditions and to limit future City actions. The City submits this correspondence in a good faith effort to see if an appropriate Multi-Party AOC can be reached, but hopes that you can appreciate the difficulty of this endeavor from a public policy perspective.

Yours truly,


Lori Potter

cc: Matt Cohn
Thomas Daley
Joan Card

71. All data, information, reports and other materials generated as part of the Work required by this Settlement Agreement (the "information") shall be publicly available. Respondents may convey this information to any person or entity in the format in which it was presented as part of the Work. Respondents shall not re-characterize findings or recommendations found in the information and shall not use the information to attribute responsibility for contamination at the Site or in the Upper Watershed. Respondents shall not use the information in any adversary proceeding against the other Respondent. Respondents may use the information to directly communicate with UDEQ or EPA for the purpose of discussing the Work.

111. As of the effective date of this Settlement Agreement, Respondents waive all claims or causes of action they may have against each other or against the Utah Division of Parks and Recreation relating to the release, threatened release, use or presence of Waste Material at the Site or in the Upper Watershed (as defined by Figure __), but only where such Waste Material was located in these areas prior to or at the effective date of this Settlement Agreement. This waiver does not extend to new Waste Materials introduced by either Respondent to the Site or Upper Watershed after the effective date of this Settlement Agreement. For purposes of this Paragraph only, Respondents shall include affiliates, officers, directors, representatives, employees, predecessors, successors and assigns where the liability of any such entity is derivative of the liability of Respondents as defined in this Settlement Agreement. This waiver of claims applies to judicial and administrative proceedings, and municipal actions and undertakings, except as specified in Exhibit A). Existing contracts and agreements between Respondents listed in Exhibit __ are specifically exempted from this waiver.

Exhibit A

In any residential area within the Site or Upper Watershed having more than 500ppm lead in soil and at which Respondent UPCM intends to undertake development activity, Respondent UPCM shall assess the contamination, if not already assessed, pursuant to an appropriate program with Respondent Park City, UDEQ, or EPA (unless UDEQ or EPA require a narrower choice). If action is determined to be necessary to protect public health or the environment, Respondent UPCM shall take such action in accordance with an appropriate program with Respondent Park City, UDEQ, or EPA (unless UDEQ or EPA require a narrower choice). Respondent UPCM shall follow the same procedure for non-residential areas in the Site and Upper Watershed having more than 500 ppm lead in soil and where receptors are present. Respondents shall adhere to and be subject to enforcement under any institutional controls established prior to the effective date of this agreement or implemented pursuant to this Settlement Agreement or this Exhibit. Respondents shall comply with dust control requirements of the State. Respondent Park City may enforce the Park City Drinking Water Source Protection Ordinance in existing source protection zones and may amend such zones, but only with the concurrence of UDEQ. Respondent Park City shall continue to provide required notice to persons served by the public water system pursuant to the Utah Safe Drinking Water Act.